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The Academy Futures report

Study produced by HCSS Education,
a leading education finance company.

Introduction

Hello and welcome to HCSS Education's
Academy Futures report

My name is Howard Jackson and I'm the CEO of HCSS Education, a leading education finance specialist. We provide practical and effective software solutions, training and consultancy services to the education sector.

As we know, David Cameron recently set out his vision for the schooling system, stating that every maintained school in England should become an academy, an independent, state-funded school that operates outside of local authority control, to improve standards.

Thirteen years since the academies programme began under a previous Government as a means to address persistently underperforming schools, we can see this vision becoming more of a reality. More and more schools are converting to academy status either on their own, if rated as a good or outstanding school by Ofsted, or as part of a wider academy trust or with a sponsor.

The Conservative's plan is to convert all schools to academy status because David Cameron believes the powers should be in the hands of head teachers and teachers, rather than the bureaucrats.

There has however, been some criticism and opposition to the academies scheme. The Labour party, for instance, referred to Ofsted figures which revealed that 16,984 more children attend academies and free schools deemed inadequate than attend local authority schools.

A parliamentary report in 2015, entitled "Free Schools and Academies", also recommended that "The Government should stop exaggerating the success of academies and be cautious about firm conclusions except where the evidence merits it. Academisation is not always successful nor is it the only proven alternative for a struggling school."

With this in mind, we decided to conduct our own research to look into the rise of academies and the impact they are having on both parents and teachers. We wanted to investigate the main reasons for converting to academy status, the concerns that staff have or had about converting, and what the biggest challenges around converting to academy status are perceived to be.

The report also takes a look at the public's current perceptions of these types of schools and whether parents are keen for their children to attend academy schools. Finally, the report will aim to address some of the issues identified by offering practical advice that all schools can learn from.

Executive summary

Despite
73%
of parents saying they would be happy for their child to go to an academy

only
42%
actually understand what an academy is and its benefits.

58%
of parents admitted they didn't fully understand what an academy does.

32%
of parents said that they did not think there is enough information available around the benefits of an academy.

A small number of parents have concerns about academies.
19%
think that in the first couple of years a newly converted academy school might struggle to handle everything on its own.

One in seven would be worried that an academy would not be able to manage its own finances.

A significant
61%
of parents disagreed with the Government that all maintained schools should become academies.

A massive
82%
of schools feel that there is pressure for them to convert to academy status.

Over half of maintained schools
59%
said they would not want their school to convert to an academy.

However,
82%
of schools and academies agree that giving heads, teachers and governors greater freedom over their budget can help improve the quality of the education they provide.

The main reason why
59%
of schools want to convert and why
70%
of academies converted is for more independence and freedom than for a maintained school.

The main concern around converting for
78%
of academies and
65%
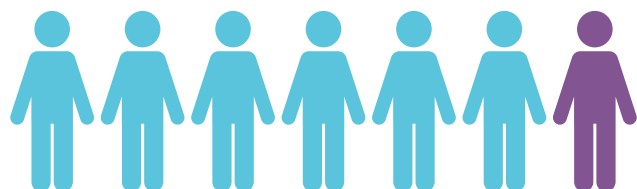of schools was that staff may be nervous or wary of the change.

1 The greatest challenge academies faced when they converted was being able to manage a bigger workload.

2 Secondly, it was using existing finance management systems, which are not always fit for purpose.

3 And thirdly, making the most cost effective use of funding.

What does the UK public
think about academies?

To better understand how parents view academies, given the massive focus the Government is placing on them, we first of all wanted to find out how many parents actually had a child at an academy. **We asked 1,000 UK parents whether they had a child at an academy and the majority (89%) said no. Only 11% said they did have a child at an academy.**

When asked would they be happy for their child to go to an academy **34%** said yes outright, **39%** said yes but it would depend on the academy, **17%** said no, and **10%** said they were unsure either way.

Despite **73%** of parents saying they would be happy for their child to go to an academy, the research revealed that only **42%** actually understand what an academy is and its benefits. **58%** admitted they didn't fully understand what an academy does, which is concerning if eventually more and more parents will have a child at an academy.

This could be down to a lack of communication about these types of schools as **32%** said that they did not think there is enough information available around the benefits of an academy. Therefore, a strategy is needed to ensure parents are fully informed and on board.

A small number of parents do hold concerns about academies though. **19%** think that in the first couple of years a newly converted academy school might struggle to handle everything on its own such as procurement and one in seven would be worried that an academy would not be able to manage its own finances.

Despite the huge push from the Government to encourage all schools to convert, a significant **61%** of parents disagreed with David Cameron that all maintained schools should become academies. Only **39%** agreed with him.

Parents are given the opportunity to put forward their opinions before a school decides to become an academy so it's important that they are fully briefed about a school's plans and the conversion process, so that they are able to make an informed decision.

73%
of parents said they would be happy for their child to go to an academy

Only
42%
actually understand what an academy is

What do education providers **think about academies?**

We asked 100 schools and academies a number of questions to gain an understanding of what staff working in the education sector think about the academy conversion process.

A staggering 82% of schools feel that there is pressure for them to convert to academy status but when asked whether they would actually want their school to convert to an academy, over half of schools (59%) said no.

However, 82% of schools and academies do approve of the key principles of an academy: that giving heads, teachers and governors greater freedom over their budget can help improve the quality of the education they provide.

So it seems the pressure from Government is having a significant effect on academisation and, as we explore later on in the report, is a contributing factor for conversions.

82%
of schools feel that there is pressure for them to convert to academy status

What are the reasons for and against
schools converting to academies?

We thought it would be interesting to compare the reasons why schools would want to convert with the reasons from academies that have already gone through the process.

When schools were asked what would be their main reasons for converting, the top five responses were:

59% More independence and freedom than for a maintained school

41% Being forced to become an academy

41% Greater control over curriculum

35% Greater control over finances

35% More money available than for a maintained school

When academies were asked what their main reasons for converting were they said:

70% More independence and freedom than for a maintained school

65% Greater control over finances

49% Greater control over curriculum

48% More money available than for a maintained school

26% Recognition that the school is ahead of its peers and independent of the local authority

With a promise of increased independence and control, more and more schools are converting to academy status, so it wasn't a surprise to discover that having more independence and freedom came out on top for both schools and academies, as well as having greater control over finances and the curriculum. What is interesting though is that 41% of schools feel like they have to convert because they will be forced to, but only 4% of existing academies were actually 'forced' to become one.

We also wanted to find out what the main concerns were around converting and compare this to the concerns converted academies first had when they were thinking about going through the process.

When schools were asked about their main concerns regarding converting to an academy they said:

65% Staff may be nervous/wary of the change

47% Losing the support of the local authority

41% The school being unsettled during the transition phase

29% The leadership team's capabilities

24% Producing a viable business plan

SCHOOL

When academies were asked what their main concerns were before converting they said:

78%
Staff being nervous/ wary of the change

34%
Taking complete control over finances

34%
The school being unsettled during the transition phase

25%
Losing the support of the local authority

19%
Finding services that are value for money

Ensuring staff are happy with the changes is a key concern for both schools and academies. Often the reason a plan fails to come into fruition is down to cultural factors rather than technical issues.

This is because whilst a strategy is often meticulously planned out so that every minute detail is considered, often the cultural implications of how the staff and students are likely to react to the change are completely overlooked.

If a goal is going to be accomplished from both a technical and cultural perspective then it is important to carefully align the processes, structures and systems that impact and enable the people.

Education providers need to lead a narrative to discuss change and innovation and explain why it can be both beneficial and challenging.

What are the top issues
and challenges for academies?

Despite the benefits often associated with academy conversion, such as more freedom over finances and greater autonomy over the day-to-day running of the school and the curriculum, making the change and becoming an academy does not come without its challenges. In order for newly-converted academies to be successful, it is the role of the school leaders to fully get to grips with both their new responsibilities and the obligations of other members of staff to make the structural change a success.

We asked academies to tell us the biggest challenges they faced when converting, ranking them from 1 to 10. The greatest challenge they reported was managing a bigger workload (8.28/10).

Secondly, it was using existing finance management systems, which are not always fit for purpose (7.20/10), then it was making the most cost effective use of funding (5.62/10), then managing expectations or worries of staff, for example when setting pay and conditions (5.61/10).

The requirements of the Companies Act and Land Registry issues (5.43/10), dealing with cash flow issues (5.26/10), managing VAT implications (4.90/10), and the provisions of the Charities Act (4.63/10) also featured as key challenges for academies.

Lower down the list of challenges came purchasing commercially competitive services (4.59/10), and recruitment of staff/governors/business managers (4.22/10).

# How can these issues and **challenges be overcome?**

Making the transition to academy status does not come without its obstacles and it requires considerable structural changes and a shift in thinking. This, along with greater transparency, complete financial accountability, and a concern for potential conflicts of interest between the newly appointed board of trustees and existing members of staff, means that school leaders often have their work cut out.

In order to overcome these challenges a deeper understanding of both a school leader's own responsibilities and the team structures required can help to ensure that all processes run as smoothly as possible.

As well as understanding their own responsibilities, to make sure an academy is managing its finances effectively, a school leader must also be able to mobilise a strong team of skilled staff with the right knowledge and skills to succeed in the changing landscape. It is therefore up to a school leader to detect any skills gaps in their team and work to address them as quickly and effectively as possible.

In order to ensure head teachers are well equipped with the skills needed to make this jump, there are also a number of training courses available, which focus on bringing school leaders and management teams up to speed with their new roles. For example, HCSS Education offers a training course designed specifically for senior leadership teams in schools. The course looks at the characteristics of inspirational leaders and examines some of the main reasons why strategies fail, and ways to overcome these issues.

To help academy schools effectively manage procurement, the Government has published a **comprehensive guide** that offers schools practical ways to strike the right balance between quality, cost and achieving value for money on all purchases.
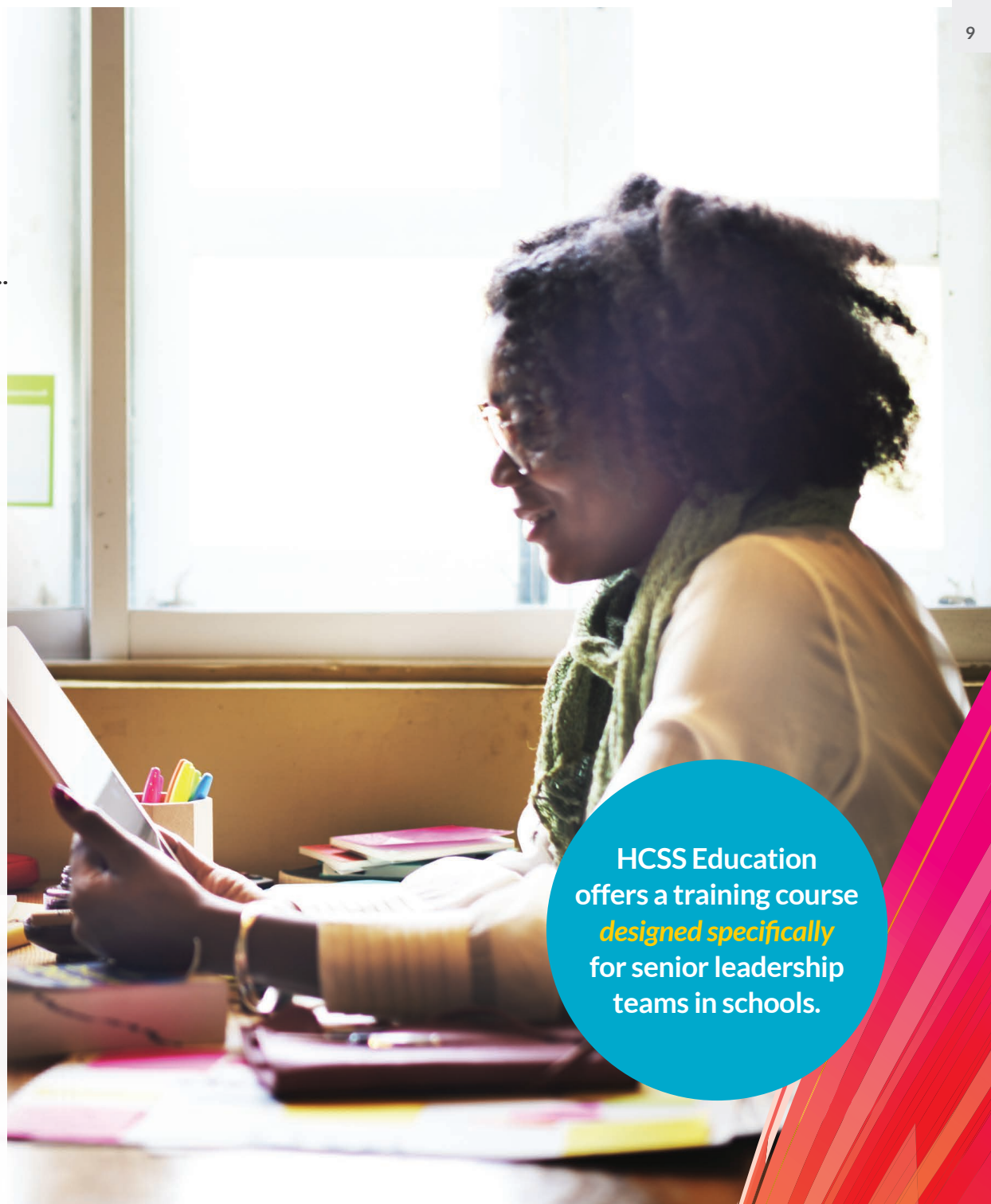
HCSS Education offers a training course *designed specifically* for senior leadership teams in schools.

Are there innovations in academies that
can be adopted by local authority schools?

When academisation is done well it is known to unleash innovation across schools, liberate teachers and boost standards. With this in mind, we wanted to find out what innovative behaviours demonstrated by academies could benefit and be adopted by local authority schools.

The academies we spoke to suggested a number of improvements that maintained schools and local authorities (LAs) could take advantage of. The most popular suggestion was that schools and LAs should adopt a business approach to achieving better value for money. Better procurement

of goods and services can result in costs savings that could then be reinvested into the school.

Other suggestions included having more accurate accounting records to improve understanding of costs and to identify potential savings.

Better collaboration was also cited as a popular suggestion to help improve standards in schools - by schools sharing the best way of doing things, they can drive up standards together.

How are academies managing their finances?

When a school becomes an academy, it is expected to manage all its own finances and meet all Government requirements. As academies have much more financial responsibility than a school, it is wise to invest in a financial management system that can help to simplify operations and keep a track of budget and finances.

We asked academy staff if they are happy with their financial provider and 65% said yes, compared to 69% at schools.

Functionality and ease of use was cited as the best feature of their current system (61%), followed by it being good value for money (38%). 30% said their finance system makes their life easier and helps them to become more effective.

When asked what they dislike about their current financial system, 52% of academies said it was difficult to get the data and reports that they need, while 87% of schools said it looks and feels dated.

Conclusion

There is no doubt that the educational landscape in England has been transformed over the last couple of years and that it will continue to change.

Based on the findings of our survey, we've established just how much pressure schools are feelings to convert. While the benefits of greater autonomy are appealing to help improve educational standards, there are still a number of concerns that are perhaps holding schools back from change. Losing the support of the local authority is clearly daunting for schools but how the changes will affect staff and pupils is the number one concern for most. Therefore, this needs to be dealt with appropriately and with a considered approach to ensure these key people stay on board during the conversion process.

Academisation doesn't come without its challenges; it's a big step to take and clearly brings a lot of change. The greatest challenge academies face is juggling the greater workload and the new financial responsibilities they have to deal with. However, if school leaders plan successfully for these changes and put strategies in place to cope, it should result in a smooth transition.

It will take time to establish whether academies are a positive influence for change. As some establishments have learnt, academisation is not always successful or the only proven alternative for a struggling school.

What is important is that both academies and maintained schools keep their focus on raising educational standards. While greater autonomy and changes to school structures may be a solution, fundamentally it is what is happening in the classroom on a day-to-day basis that is important and will help them to flourish.

If we look at countries like Finland, which have completely overhauled their education system, we can see that it is a possibility. As a result of trusting their teachers to do whatever it takes to improve educational standards, they have seen improved results and now rank as one of the best providers of education in the world.

So after reading this report, we hope that many schools will have more clarity when it comes to understanding the key changes involved in conversion. Also we hope the report will help reassure schools considering conversion that despite the major changes involved, there is the support and guidance available for newly-converted academies to find their feet and be successful in their transformed status.

By Howard Jackson, CEO of HCSS Education

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